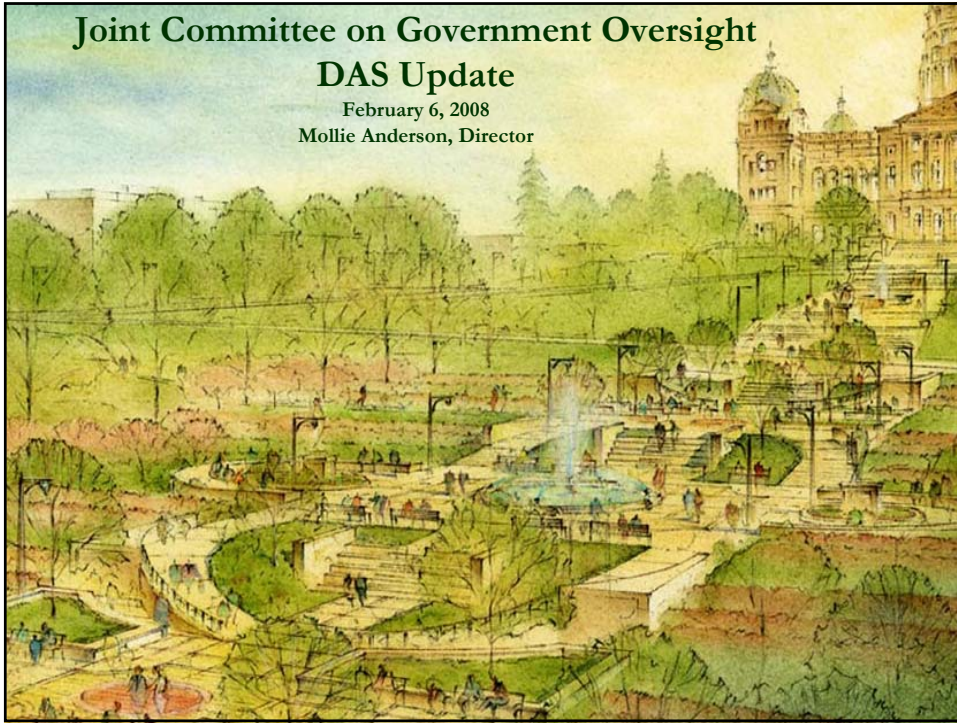


## Joint Committee on Government Oversight

### DAS Update

February 6, 2008

Mollie Anderson, Director



## What is DAS?

- Manager of funds spent on internal services
- A \$96-million, customer-driven business delivering value-added products and services to state, local and county municipalities.





## Planning: In the Beginning. . . FY '01-'02

- In 10 years, 50% decline in budget and 40% decline in staffing
- Customers complained to Governor about the cumbersome process
- Customers did not know the cost of administrative services
- Administrative agencies had no ability/capacity to serve customers.
- There was no holistic view of customer needs
- Resistance to change
- Beleaguered workforce
- No clear direction
- No alignment between support service
- Staff were not focused on outcomes
- Customers did not have a voice in the delivery of service
- Top heavy administration



**When you're riding a dead horse, the best strategy is to dismount.**

### **COURAGEOUS LEADERSHIP**

- Introduce more risk into the culture
- Reward of results
- Train for improvement
- Allow for mistakes
- Articulate the cost of the internal operations of government
- Improve accountability and responsibility for customers and service delivery providers



### **What did the Legislature do?**

- Implemented through legislation July 1, 2003
- Established an entrepreneurial management business model within Iowa state government
- Changed the way we are funded
- Gave customers real control and authority through the formation of Customer Councils
- Eliminated mandatory requirements for agencies to use us
- Gave employees incentives to improve services, lower costs and increase flexibility to meet customer needs
- Implementation of key business proposals including accrual accounting, the development of business plans, competitive pricing and customer satisfaction measures
- Sorted service lines into four (4) business categories: utilities, marketplace, leadership and shared services
- Ability to sell to cities, counties and schools
- Working capital concept ~ innovation loan opportunities



## What is “entrepreneurial management”?

In the Iowa state government context, entrepreneurial management is a *customer-focused* approach to delivering services in a *competitive marketplace*, where business decisions are motivated by the desire to meet customer needs and by rewards or consequences for financial performance

7



## Business Categories

- Leadership – funded by appropriation; owned by the citizens (for example – Governor’s office, State Capitol)
- Utilities – economies of scale savings, so customers are required to buy from one entity. Customer Councils set the rates for fees charged to users (for example – association fees)
- Marketplace – services or commodities that may be purchased from any marketplace vendor or supplier, including DAS.
- Shared Services organization – the sharing of central administrative services between all business lines, i.e. legal, marketing, financial

8



## **What is significantly different in an Entrepreneurial Organization?**

- Offers unique alternative business model instead of outsourcing, it establishes a business within state government
- Introduces risk in state government, which drives competition for best price
- Allows state employees the opportunity to demonstrate efficiencies and willingness to competitively price



9

## **How would the new structure improve agencies' accountability for financial decisions?**

- Today, internal agency budgets do not always show the costs of the services they receive from other state government agencies. This expense is often not used in budgeting, and may not even be known to these customers.
- With the new structure, internal sellers will complete business plans, estimating their revenue and expenses. Customers will have a voice in setting prices and will have the flexibility to shop for the best value for their money.



10

## How are we funded?

- DAS – previously funded by general funds – now primarily fee-based organization; money formerly appropriated to DAS (approximately \$10,802,911) now distributed directly to DAS customer agencies
- Billing customers for the services they receive

11



## How are we organized?

### Four (4) enterprise businesses and shared services

1. General Services Enterprise – delivering services related to building maintenance, monuments, cleaning, print, mail and state fleet
2. Human Resource Enterprise – delivering services related to labor relations, employment services, benefits and training
3. Information Technology Enterprise – delivering services related to mainframe, common directory, access and hub
4. State Accounting Enterprise – delivering services related to enterprise accounting, procurement, budget preparation, human resources, management of fixed assets, inventory and cost accounting

12



## What control do customers have?

- Customer Councils set utility rates
- Customer Councils set complaint resolution process
- Customers decide what marketplace products and services they will buy
- If we can't compete, we lose the business
- Our future is tied to customer satisfaction and buying decisions



13

## Who are our customers?

- State executive branch agencies, judicial, legislative branch and regents
- City and county municipalities, schools, community colleges, judicial districts and community-based corrections



14

## What tools do I have as CEO to manage performance?

- Performance metrics with direct reports
- Employee surveys
- Customer satisfaction surveys
- Director reviews savings by each Enterprise

15



## What is CRM and why is it critical in order to succeed?

- Development of Customer Relationship Management (CRM) system has been in progress since September 2003
- Vision for the CRM system is to insure that all customers have an accurate, timely, and cohesive on-line DAS customer service experience

Services  
Catalog

Order  
Intake

Consumption  
Details

Billing  
System

A/R

Trouble  
Ticket

Time  
Tracking

Costing

16



## What do customers expect in billing?



- Accuracy
- Timeliness
- Understandability



17

**eDAS**  
You are logged in as patricia.harmeyer@iowa.gov / DAS Core (change) [Live Support](#) [Home](#) [Tutorial](#)

Billing Period  
Jump to:

[Go to: Accounting View](#)  
[Download Special Reports](#)

**DAS**  
Department / Customer Management  
1007 E. Grand Ave  
Room 12  
Des Moines, IA 50319  
steve.masilkowski@iowa.gov  
*If you have questions or concerns, please email [DAS\\_Finance.Billing@iowa.gov](mailto:DAS_Finance.Billing@iowa.gov).*

**Please Remit Payment To:**  
Department of Administrative Services  
Attn: DAS Finance  
Hoover State Office Building Level A  
Des Moines, IA 50309

**DAS Services Invoice**  
Enterprise Summary

Customer ID : 0064  
Invoice Number : DAS2006050064  
DAS Services For : November 1 - 30, 2005


Description	Amount Due	Credit/Discount	Total Amount Due
Information Technology	\$8578.72	-\$0.50	\$8578.22
General Services	\$9776.23	-\$801.62	\$8974.61
Human Resource	\$1023.65	\$0.00	\$1023.65
State Accounting	\$241.92	\$0.00	\$241.92
<b>Total Billable This Invoice</b>			<b>\$13620.52</b>
<b>Credits/Discounts This Invoice</b>			<b>-\$802.12</b>
<b>Total Due This Invoice</b>			<b>\$12818.40</b>

[State Of Iowa - Department Of Administrative Services](#) [Privacy Statement](#) [Contact Us](#)

Done Local intranet

You are logged in as patricia.harmeyer@iowa.gov / DAS Core ( [change](#) ) [Live Support](#) [Home](#) [Tutorial](#)

Billing Period  
Jump to : 05-2006 [Go to : Accounting View](#)  
[Download Special Reports](#)



Department / Customer  
Management  
1007 E. Grand Ave  
Room 12  
Des Moines, IA 50319  
steve.maslikowski@iowa.gov  
*If you have questions or concerns, please email [DAS.Finance.Billing@iowa.gov](mailto:DAS.Finance.Billing@iowa.gov)*

**Please Remit Payment To :**  
Department of Administrative Services  
Attn : DAS Finance  
Hoover State Office Building Level A  
Des Moines, IA 50309

## DAS Services Invoice

### Enterprise Summary


Customer ID : 0064  
Invoice Number : DAS2006050064  
DAS Services For : November 1 - 30, 2005

Description	Amount Due	Credit/Discount	Total Amount Due
<a href="#">Information Technology</a>	\$8578.72	-\$0.50	\$8578.22
<a href="#">General Services</a>	\$3776.23	-\$801.62	\$2974.61
<a href="#">Human Resource</a>	\$1023.65	\$0.00	\$1023.65
<a href="#">State Accounting</a>	\$241.92	\$0.00	\$241.92
<b>Total Billable This Invoice</b>			\$13620.52
<b>Credits/Discounts This Invoice</b>			-\$802.12
<b>Total Due This Invoice</b>			\$12818.40

Drill here for detail  
Level 1

State Of Iowa - Department Of Administrative Services Local intranet

You are logged in as patricia.harmeyer@iowa.gov / DAS Core ( [change](#) ) [Live Support](#) [Home](#) [Tutorial](#)



Department / Customer  
Management  
1007 E. Grand Ave  
Room 12  
Des Moines, IA 50319  
steve.maslikowski@iowa.gov  
*If you have questions or concerns, please email [DAS.Finance.Billing@iowa.gov](mailto:DAS.Finance.Billing@iowa.gov)*

**Please Remit Payment To :**  
Department of Administrative Services  
Attn : DAS Finance  
Hoover State Office Building Level A  
Des Moines, IA 50309

## DAS Services Invoice

### Human Resource Summary

Customer ID : 0064  
Invoice Number : DAS2006050064  
DAS Services For : November 1 - 30, 2005


[Return to Enterprise Summary](#)

Category	Amount Due	Credit/Discount	Total Amount Due
<a href="#">Benefits</a>	\$158.32	\$0.00	\$158.32
<a href="#">Employment Services</a>	\$223.17	\$0.00	\$223.17
<a href="#">Program Delivery Services</a>	\$137.16	\$0.00	\$137.16
<a href="#">Training Services</a>	\$505.00	\$0.00	\$505.00
<b>Total Billable This Invoice</b>			\$1023.65
<b>Credits/Discounts This Invoice</b>			\$0.00
<b>Total Due This Invoice</b>			\$1023.65

Drill here for detail  
Level 2

**eDAS**

You are logged in as patricia.harmeyer@iowa.gov / DAS Core ( [change](#) ) [Live Support](#) [Home](#) [Tutorial](#)



Department / Customer  
Management  
1007 E. Grand Ave  
Room 12  
Des Moines, IA 50319  
steve.maslikowski@iowa.gov

**Please Remit Payment To :**  
Department of Administrative Services  
Attn : DAS Finance  
Hoover State Office Building Level A  
Des Moines, IA 50309

## DAS Services Invoice

Service Code Summary  
For Training Services

Customer ID : 0064  
Invoice Number : DAS2006050064  
DAS Services For : November 1 - 30, 2005

If you have questions or concerns, please email [DAS.Finance.Billing@iowa.gov](mailto:DAS.Finance.Billing@iowa.gov)  
Return to [Human Resource Category Summary](#) ( [Enterprise Summary](#) ) [Export this data](#)

Service Code	Description	Quantity	Amount Due	Credits	Total Amount Due
3972	Training/PDS	2.00	\$165.00	\$0.00	\$165.00
4000	HRE Training Service	1.00	\$340.00	\$0.00	\$340.00

Drill here for detail  
Level 3

**Total Billable This Invoice** \$505.00  
**Credits/Discounts This Invoice** \$0.00  
**Total Due This Invoice** \$505.00

Done Local intranet

## What progress has been made towards the Governor's goals?

***Goal: Save Money***

### Examples include:

- ITE reduced and eliminated certain rates and provided rebates to customers, resulting in savings of \$7,323,000 during the last two fiscal years.
- GSE produced significant savings through renegotiated leased space arrangements, saving the State \$4,333,306 over the course of multiple-year lease terms
- HRE audited (Wellmark's) health insurance eligibility files in 2004 and 2005, resulting in a \$2-million savings to the State.



## What progress has been made towards the Governor's goals?

### *Goal: Streamline*

- Creation of one billing system resulting in one (1) DAS bill, one (1) customer service center
- Establishment of Customer Relationship Management (CRM) system
- Establishment of standardized rate setting and monthly financial reports
- Standard entrepreneurial training for all employees.

23



## What progress has been made towards the Governor's goals?

### *Goal: Use resources flexibly*

- Sharing of employees from one enterprise to another
- Sharing of one financial system
- Establishment of shared services system rather than each business hiring their own resources
- Development of integrated marketing materials
- Co-location of enterprises

24



